

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NEW ROADS, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED MARCH 31, 2003

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NEW ROADS, LOUISIANA
(225) 638-6357

GOVERNING BOARD

NAME	REPRESENTING
Thomas Nelson, Jr.	- City of New Roads
Juliette Williams	- Pointe Coupee Police Jury
Sylvester Muckelroy	- Pointe Coupee School Board
Irma R. Smith	- Pointe Coupee Sheriff
Donald Fuselier	- School of Hope
Linda Christophe	- St. Peter AM&E
Eleanor Seibert	- Pointe Coupee Chapter NAACP
John Olinde, Sr.	- Immaculate Conception Church
Annie Mae Jackson	- St. Jude Church
Yolanda Slaughter	- St. Augustine Catholic Church
Willie Wilson, Jr.	- Batchelor, Lettsworth, Innis
Robert M. Lee	- Morganza
Betty Williams	- New Roads
Milton Gaines, Jr.	- Livonia
Sam Adolphe	- Lakeland

EXECUTIVE DIRECTOR

Clinton H. Flint

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George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Pointe Coupee Community Advancement, Inc.

I have audited the accompanying statement of financial position of POINTE COUPEE COMMUNITY ADVANCEMENT, INC., (a Nonprofit Organization), as of March 31, 2003, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Pointe Coupee Community Advancement, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pointe Coupee Community Advancement, Inc. as of March 31, 2003, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 20, 2004, on my consideration of Pointe Coupee Community Advancement, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Pointe Coupee Community Advancement, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and additional information listed in the table of contents are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

George F. Delaune, CPA

January 20, 2004

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BASIC FINANCIAL STATEMENTS

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2003

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
ASSETS			
Cash	\$ 12,570	\$ 8,304	\$ 20,874
Grants and reimbursements receivable	0	34,693	34,693
TOTAL ASSETS	<u>12,570</u>	<u>42,997</u>	<u>55,567</u>
LIABILITIES			
Bank overdrafts	0	258	258
Accounts payable	0	71,883	71,883
Accrued salaries payable	0	30,381	30,381
Accrued payroll liabilities and deductions	0	21,904	21,904
TOTAL LIABILITIES	<u>0</u>	<u>124,426</u>	<u>124,426</u>
NET ASSETS			
Restricted - permanently	0	(81,429)	(81,429)
Unrestricted - undesignated	12,570	0	12,570
TOTAL NET ASSETS	<u>\$ 12,570</u>	<u>\$ (81,429)</u>	<u>\$ (68,859)</u>

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 YEAR ENDED MARCH 31, 2003

	Unrestricted	Restricted	Total
REVENUES			
Grants and reimbursements	\$ 0	\$ 1,484,403	\$ 1,484,403
Grantee contributions	0	245,723	245,723
Interest income	0	18	18
Local governmental contributions	8,848	0	8,848
Miscellaneous	8,035	0	8,035
Total Revenues	<u>16,883</u>	<u>1,730,144</u>	<u>1,747,027</u>
EXPENSES			
Program Services -			
Head Start	0	1,400,063	1,400,063
Child & Adult Food - School Lunch Program	0	78,140	78,140
Home Energy Assistance	0	218,698	218,698
Emergency Food and Shelter	0	15,090	15,090
Community Services Block Grant	0	94,260	94,260
Emergency Food Assistance Program	0	3,631	3,631
Medicaid	0	3,022	3,022
Total Program Services	<u>0</u>	<u>1,812,904</u>	<u>1,812,904</u>
Management and general	<u>7,455</u>	<u>0</u>	<u>7,455</u>
Total Expenses	<u>7,455</u>	<u>1,812,904</u>	<u>1,820,359</u>
CHANGE IN NET ASSETS	9,428	(82,760)	(73,332)
Net Assets at Beginning of Year	<u>3,142</u>	<u>1,331</u>	<u>4,473</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,570</u>	<u>\$ (81,429)</u>	<u>\$ (68,859)</u>

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 COMBINED STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
(Decrease) in net assets	\$ (73,332)
Adjustments to reconcile (decrease) in net assets to net cash provided by operating activities:	
(Increase) decrease in -	
Receivables	20,654
Increase (decrease) in -	
Bank overdrafts	258
Accounts payable	4,495
Accrued salaries payable	(4,964)
Accrued payroll liabilities and deductions	7,682
Net Cash Provided by Operating Activities	<u>(45,207)</u>
Net Increase in Cash	(45,207)
Cash at Beginning of Year	<u>66,081</u>
CASH AT END OF YEAR	<u><u>\$ 20,874</u></u>

The accompanying notes are an integral part of these statements.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - THE ENTITY

Pointe Coupee Community Advancement, Inc. ("the Agency") was organized in 1965 as a non-profit corporation under the Nonprofit Corporation Law of Louisiana, Section 201(7) of Title 12 of the Louisiana Revised Statutes. The corporation is organized on a non-stock basis. It functions as a community action agency whose purpose is to improve the quality of life for low income, needy persons throughout the area with emphasis on providing educational, nutritional, health and social assistance to underprivileged children and nutritional and energy assistance to low income persons.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Pointe Coupee Community Advancement, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Basis of Accounting

The financial statements of the Pointe Coupee Community Advancement, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Accounting

The accounts of Pointe Coupee Community Advancement, Inc. are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. In accordance with SFAS No. 117, fund balances are classified on the Statement of Financial Position as unrestricted, temporarily restricted, or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions. The various funds maintained by Pointe Coupee Community Advancement, Inc. are as follows:

Local Administration -- the general operating fund used to account for all financial resources over which the Board of Directors has discretionary control and is used to carry out the operations of the agency in accordance with its bylaws.

Head Start -- a federally funded program whose objectives are to provide comprehensive educational, nutritional, health and social services to economically disadvantaged preschool children and their families and to involve parents in activities with their children so that the children will attain overall social competence. Parents also participate in various decision making processes related to operation of the program.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

Child & Adult Food - School Lunch Program — this program provides financial reimbursement to the Head Start program for school lunches.

Home Energy Assistance — the objective of this program is to assist low-income persons in paying for energy and reduce the impact of rising energy costs on eligible participants.

Emergency Food and Shelter Program — distribution of food commodities donated by the federal government to those person meeting certain income and other eligibility criteria.

Community Services Block Grant — a federally-funded grant implemented to provide community-based programs that assist in ameliorating the causes and consequences of poverty.

Emergency Food Assistance Program — the objective of this program is to provide food to needy people on an emergency basis.

Medicaid -- the objective of this program is to assist people complete the medicaid applications which are sent to the state for further processing.

Revenue Recognition

Grants received from federal and state sources are recorded as permanently restricted support.

Donated Services and Facilities

As required by grant regulations, Head Start Grantees must provide, in the form of cash or in-kind contributions, an amount equal to 20% of the cost of the program. In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made" the value of donated services and facilities included in the financial statements is reported as both a revenue and expense. The value of donated services is based on the minimum wage rate in effect at the time, the value of donated facilities is based on current market rates for the area, less rent paid.

Prior to October 1, 2000, the Emergency Food Assistance Program obtained commodities from the U.S. Department of Agriculture through the Louisiana Department of Agriculture & Forestry. During that time, the cost of commodities were provided by USDA and recorded in accordance with SFAS No. 116. Effective October 1, 2000, the Greater Baton Rouge Food Bank became the distribution center for all commodities throughout a twelve parish outreach area. No estimated costs were obtained from the Greater Baton Rouge Food Bank for commodities received and Pointe Coupee Community Advancement, Inc. was unable to provide an estimate; consequently, the cost of donated items are not recorded in the statement of activities after September 30, 2000.

Property and Equipment

The Pointe Coupee Community Advancement, Inc. adopted a policy established by the U.S. Department of Health and Human Services in the operation of the Head Start program. All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. At March 31, 2003, Pointe Coupee Community Advancement, Inc. had no un-depreciated assets that matched this policy.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

Income Tax Status

Pointe Coupee Community Advancement, Inc. is exempt from federal income taxes under Internal Revenue Code Section 501[c][4] and Louisiana Revenue and Taxation Code.

NOTE 3 - CASH

Regulations require that deposits of the Agency be insured by Federal depository insurance or collateralized by securities held in the name of the Agency by the trust department of a bank that does not hold the collateralized deposits. As of March 31, 2003, the status of deposited funds and collateralized balances are as follows:

Demand accounts	\$ 54,601
Federal deposit insurance coverage	54,601
Pledged securities	0
	<hr/>
Unsecured	<u><u>\$ 0</u></u>

NOTE 4 - GRANT FUNDS RECEIVABLE

At March 31, 2003, the Agency is due to receive funds as follows:

U.S. Department of Health & Human Services - Head Start	\$ 6,658
Louisiana Department of Education - Child & Adult Food School Lunches	28,035
	<hr/>
Total	<u><u>\$ 34,693</u></u>

NOTE 5 - OPERATING LEASE COMMITMENTS

Pointe Coupee Community Advancement, Inc. is engaged in two leasing arrangements:

1. An annual lease for administrative offices located at 337 Napoleon Street, New Roads, LA with the Pointe Coupee Parish School Board. The annual leases covered the period July 1 to June 30 at \$450.00 per month. Rent expense is recorded for the current year in the amount of \$5,400.
2. A lease with Livonia Lodge #220 for office space located at 128 Poydras Street which houses the Head Start offices. On June 18, 2002, the lease was extended for another three year term with monthly payments of \$450.00. Rent expense is recorded for the current year in the amount of \$5,400.
3. An annual lease with St. Mary Baptist Church for a Head Start center in Innis, LA. The annual lease covered the period September 1 until May 15 at \$600.00 per month. Rent expense is recorded for the current year in the amount of \$5,100.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
NOTES TO THE FINANCIAL STATEMENTS

Future minimum lease payments over the lease term are as follows:

<u>Fiscal Year End</u>	<u>Annual Payment</u>
3/31/2004	\$ 6,300
3/31/2005	5,400
3/31/2006	900
	<u>\$ 12,600</u>

NOTE 6 - COMPENSATED ABSENCES

Pointe Coupee Community Advancement, Inc. has adopted the following policy on compensated absences:

Only full-time, full-year employees are eligible for annual leave. Employees earn annual leave after a 90 day probationary evaluation is conducted and recommendation was made for retention.

1. Employees with less than 5 years of service earn 12 days per year.
2. Employees with more than 5 years of service earn 18 days per year.

All accumulated leave must be used on or before December 31 of each year. Payment for unused annual leave time shall be made upon the discharge, resignation, removal of an employee due to reduction in force, retirement, or death of an employee not to exceed 18 days.

Annual leave days are credited at the beginning of the year and decreased as time is taken; consequently, no provision for unused vacation time is accrued in the financial statements.

NOTE 7 - CONTINGENCIES

The Agency receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State for expenditures disallowed under the terms and conditions of the appropriate agency.

ADDITIONAL INFORMATION

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CURRENT UNRESTRICTED FUNDS

The "Local Administration Fund" is the general operating fund of Pointe Coupee Community Advancement, Inc. It is used to account for all financial resources over which the Board of Directors has discretionary control and is used to carry out the operations of the agency in accordance with its bylaws.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF FINANCIAL POSITION
 UNRESTRICTED FUNDS
 MARCH 31, 2003

	<u>Local Administration</u>
ASSETS	
Cash	\$ 12,570
TOTAL ASSETS	<u>12,570</u>
LIABILITIES	
Accounts payable	0
Accrued payroll liabilities and deductions	<u>0</u>
TOTAL LIABILITIES	<u>0</u>
NET ASSETS	
Unrestricted - undesignated	<u>12,570</u>
TOTAL NET ASSETS	<u><u>\$ 12,570</u></u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 UNRESTRICTED FUNDS
 YEAR ENDED MARCH 31, 2003

	Local Administration
REVENUES	
Local governmental contributions	\$ 8,848
Miscellaneous	8,035
Total Revenues	<u>16,883</u>
EXPENSES	
Travel	841
Rent	4,225
Insurance	2,000
Maintenance and supplies	389
Total Expenses	<u>7,455</u>
CHANGE IN NET ASSETS	9,428
Net Assets at Beginning of Year	<u>3,142</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 12,570</u></u>

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PERMANENTLY RESTRICTED FUNDS

Permanently restricted funds are expendable only for operating purposes specified by the grantor. Restricted funds of the Agency are as follows:

- Head Start
- Child and Adult Food Program - School Lunch Program
- Home Energy Assistance
- Emergency Food and Shelter Program
- Community Services Block Grant
- Emergency Food Assistance Program
- Medicaid

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POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF FINANCIAL POSITION
PERMANENTLY RESTRICTED FUNDS
MARCH 31, 2003

	Head Start	Child and Adult Food School Lunches	Home Energy Assistance	Emergency Food & Shelter	Community Services Block Grant	Emergency Food Assistance Program	Medicaid	Total
ASSETS								
Cash	\$ 6,228	\$ 592	\$ 0	\$ 29	\$ 211	\$ 1,091	\$ 153	\$ 8,304
Grants and reimbursements receivable	6,658	28,035	0	0	0	0	0	34,693
TOTAL ASSETS	<u>12,886</u>	<u>28,627</u>	<u>0</u>	<u>29</u>	<u>211</u>	<u>1,091</u>	<u>153</u>	<u>42,997</u>
LIABILITIES								
Bank overdraft	0	0	258	0	0	0	0	258
Accounts payable	43,221	28,662	0	0	0	0	0	71,883
Accrued salaries payable	30,381	0	0	0	0	0	0	30,381
Accrued payroll liabilities and deductions	18,493	0	476	0	2,923	12	0	21,904
TOTAL LIABILITIES	<u>92,095</u>	<u>28,662</u>	<u>734</u>	<u>0</u>	<u>2,923</u>	<u>12</u>	<u>0</u>	<u>124,426</u>
NET ASSETS								
Restricted - permanently	(79,209)	(35)	(734)	29	(2,712)	1,079	153	(81,429)
TOTAL NET ASSETS	<u>\$ (79,209)</u>	<u>\$ (35)</u>	<u>\$ (734)</u>	<u>\$ 29</u>	<u>\$ (2,712)</u>	<u>\$ 1,079</u>	<u>\$ 153</u>	<u>\$ (81,429)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF ACTIVITIES - BUDGET TO ACTUAL
 HEAD START PROGRAM
 YEAR ENDED MARCH 31, 2003

	Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES			
Grant revenues	\$ 973,078	\$ 973,078	\$ 0
Grantees contribution	243,270	245,723	2,453
Grant revenues - prior year carryover	100,000	100,000	
Miscellaneous	0	18	18
Total Revenues	<u>1,316,348</u>	<u>1,318,819</u>	<u>2,471</u>
EXPENSES			
Direct Costs -			
Personnel	614,682	621,017	(6,335)
Fringe benefits	146,203	173,375	(27,172)
Travel	49,070	68,825	(19,755)
Equipment	30,709	23,000	
Supplies	18,380	46,875	(28,495)
Contractual	3,000	1,660	1,340
Facilities/construction	0	0	0
Other	211,034	219,588	(8,554)
Total Direct Costs	<u>1,073,078</u>	<u>1,154,340</u>	<u>(88,971)</u>
In-Kind Contributions	<u>243,270</u>	<u>245,723</u>	<u>(2,453)</u>
Total Expenses	<u>1,316,348</u>	<u>1,400,063</u>	<u>(83,715)</u>
CHANGE IN NET ASSETS	0	(81,244)	(81,244)
Net Assets at Beginning of Year	<u>0</u>	<u>2,035</u>	<u>0</u>
NET ASSETS AT END OF YEAR	<u>\$ 0</u>	<u>\$ (79,209)</u>	<u>\$ (81,244)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF ACTIVITIES
 CHILD AND ADULT FOOD SCHOOL LUNCHES
 YEAR ENDED MARCH 31, 2003

REVENUES

Grant - U.S. Department of Agriculture	\$ 78,272
Total Revenues	<u>78,272</u>

EXPENSES

Food	<u>78,140</u>
Total Expenses	78,140

CHANGE IN NET ASSETS

	132
Net Assets at Beginning of Year	<u>(167)</u>
NET ASSETS AT END OF YEAR	<u><u>\$ (35)</u></u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITIES
HOME ENERGY ASSISTANCE
YEAR ENDED MARCH 31, 2003

	Program Year 2002			Program Year 2003
	Jan 01 to Mar 31	Apr 01 to Dec 31	Total	Jan 01 to Mar 31
REVENUES				
Grant or reimbursements	\$ 62,748	\$ 168,587	\$ 231,335	\$ 49,291
Total Revenues	<u>62,748</u>	<u>168,587</u>	<u>231,335</u>	<u>49,291</u>
EXPENSES				
Salaries and benefits	3,375	26,210	29,585	2,576
Travel	593	2,388	2,981	393
Supplies	592	878	1,470	781
Notices	322	512	834	0
Energy assistance	58,278	141,172	199,450	43,788
Total Expenses	<u>63,160</u>	<u>171,160</u>	<u>234,320</u>	<u>47,538</u>
CHANGE IN NET ASSETS	(412)	(2,573)	(2,985)	1,753
Net Assets at Beginning of Year	<u>498</u>	<u></u>	<u>498</u>	<u>(2,487)</u>
NET ASSETS AT END OF YEAR	<u>\$ 86</u>	<u>\$ (2,573)</u>	<u>\$ (2,487)</u>	<u>\$ (734)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF ACTIVITIES
 EMERGENCY FOOD AND SHELTER PROGRAM
 YEAR ENDED MARCH 31, 2003

	Program Year 2002			Program Year 2003
	Oct 01 to Mar 31	Apr 01 to Sep 30	Total	Oct 01 to Mar 31
REVENUES				
Grant or reimbursements	\$ 18,848	\$ 0	\$ 18,848	\$ 15,119
Total Revenues	<u>18,848</u>	<u>0</u>	<u>18,848</u>	<u>15,119</u>
EXPENSES				
Supplies	18	21	39	
Miscellaneous	360	(58)	302	316
Commodities distributed	18,470	0	18,470	14,811
Total Expenses	<u>18,848</u>	<u>(37)</u>	<u>18,811</u>	<u>15,127</u>
CHANGE IN NET ASSETS	0	37	37	(8)
Net Assets at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>37</u>
NET ASSETS AT END OF YEAR	<u>\$ 0</u>	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 29</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITIES
COMMUNITY SERVICES BLOCK GRANT
YEAR ENDED MARCH 31, 2003

	Program Year 2002			Program Year 2003
	Jan 01 to Mar 31	Apr 01 to Dec 31	Total	Jan 01 to Mar 31
REVENUES				
Grant or reimbursements	\$ 24,534	\$ 65,340	\$ 89,874	\$ 27,021
Total Revenues	<u>24,534</u>	<u>65,340</u>	<u>89,874</u>	<u>27,021</u>
EXPENSES				
Salaries and benefits	21,618	57,454	79,072	22,385
Travel and conferences	0	0	0	0
Professional fees	0	2,120	2,120	675
Insurance	0	106	106	0
Supplies	100	2,005	2,105	1,372
Telephone	1,291	3,087	4,378	996
Rent	125	1,250	1,375	250
Administrative	2,213	739	2,952	1,821
Total Expenses	<u>25,347</u>	<u>66,761</u>	<u>92,108</u>	<u>27,499</u>
CHANGE IN NET ASSETS	(813)	(1,421)	(2,234)	(478)
Net Assets at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2,234)</u>
NET ASSETS AT END OF YEAR	<u>\$ (813)</u>	<u>\$ (1,421)</u>	<u>\$ (2,234)</u>	<u>\$ (2,712)</u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
STATEMENT OF ACTIVITIES
EMERGENCY FOOD ASSISTANCE PROGRAM
YEAR ENDED MARCH 31, 2003

	Program Year 2002			Program Year 2003
	Oct 01 to Mar 31	Apr 01 to Sep 30	Total	Oct 01 to Mar 31
REVENUES				
Grant or reimbursements	\$ 1,725	\$ 1,500	\$ 3,225	\$ 2,700
Total Revenues	1,725	1,500	3,225	2,700
EXPENSES				
Salaries and benefits	538	470	1,008	322
Travel	232	189	421	183
Professional fees	161	351	512	277
Maintenance and supplies	707	597	1,304	992
Rent	200	75	275	175
Administrative	0	0	0	0
Total Expenses	1,838	1,682	3,520	1,949
CHANGE IN NET ASSETS	(113)	(182)	(295)	751
Net Assets at Beginning of Year	623	0	623	328
NET ASSETS AT END OF YEAR	\$ 510	\$ (182)	\$ 328	\$ 1,079

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 STATEMENT OF ACTIVITIES
 MEDICAID
 YEAR ENDED MARCH 31, 2003

REVENUES	
Grant or reimbursements	\$ 3,495
Total Revenues	<u>3,495</u>
EXPENSES	
Salaries and benefits	2,980
Insurance	0
Supplies	42
Total Expenses	<u>3,022</u>
CHANGE IN NET ASSETS	473
Net Assets at Beginning of Year	<u>(320)</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 153</u></u>

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
 SCHEDULE OF PER DIEM AND OTHER COMPENSATION
 PAID TO MEMBERS OF THE BOARD OF DIRECTORS
 YEAR ENDED MARCH 31, 2003

Roland J. Roberts	\$	0
Juliette Williams		0
Sylvester Muckelroy		0
Irma R. Smith		0
Donald Fuselier		0
Linda Christophe		0
Eleanor Seibert		0
John Olinde, Sr.		0
Annie Mae Jackson		0
Yolanda Slaughter		0
Willie Wilson, Jr.		0
Robert M. Lee		0
Betty Williams		0
Milton Gaines, Jr.		0
Sam Adolphe		0
		<hr/>
	\$	<u>0</u>

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OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

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GOVERNMENT FINANCE
OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

I have audited the financial statements of POINTE COUPEE COMMUNITY ADVANCEMENT, INC. (a nonprofit organization) as of and for the year ended March 31, 2003, and have issued my report thereon dated January 20, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Pointe Coupee Community Advancement, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Pointe Coupee Community Advancement, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial

reporting that, in my judgment, could adversely affect Pointe Coupee Community Advancement, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2003-1, 2003-2, and 2003-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider items 2003-1 and 2003-3 to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

January 20, 2004

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

(A Professional Corporation)

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
of Pointe Coupee Community Advancement, Inc.

Compliance

I have audited the compliance of POINTE COUPEE COMMUNITY ADVANCEMENT, INC. (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended March 31, 2003. Pointe Coupee Community Advancement, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Pointe Coupee Community Advancement, Inc.'s management. My responsibility is to express an opinion on Pointe Coupee Community Advancement, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. - Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pointe Coupee Community Advancement, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Pointe Coupee Community Advancement, Inc.'s compliance with those requirements.

In my opinion, Pointe Coupee Community Advancement, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2003.

Internal Control Over Compliance

The management of Pointe Coupee Community Advancement, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered Pointe Coupee Community Advancement, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the board of directors, management, federal agencies and pass-through entities, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However this report is a matter of public record, and its distribution is not limited.

George F. Delaune, CPA

January 20, 2004

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2003

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
U.S. Department of Health & Human Services			
Direct Program -			
Head Start (<u>major program</u>)	93.600		\$ 1,154,340
LA Department of Labor -			
Community Services Block Grant	93.569	9xN0003	94,260
LA Department of Social Services -			
Home Energy Assistance	93.568	04559/370-3180	218,698
U.S. Department of Agriculture			
LA Department of Education -			
Emergency Food Assistance Program	10.550	N/A	3,631
Child & Adult Care Food Program - School Lunches	10.557	N/A	78,140
Federal Emergency Management Agency			
Direct Program -			
Emergency Food & Shelter Program	83.523	N/A	15,090
Total Federal Awards			<u>\$ 1,564,159</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the Agency's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NOTE B – HEAD START

In accordance with terms of the grant, the Agency has documented matching in-kind contributions totaling \$245,723 during the year ended March 31, 2003.

POINTE COUPEE COMMUNITY ADVANCEMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2003

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a unqualified opinion on the financial statements of Pointe Coupee Community Advancement, Inc.
2. In the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards three reportable conditions were disclosed during the audit of the financial statements,
3. Two instances of noncompliance material to the financial statements of Pointe Coupee Community Advancement, Inc. were disclosed during the audit.
4. In the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 no reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Pointe Coupee Community Advancement, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Pointe Coupee Community Advancement, Inc. are reported in Part C. of this Schedule.
7. The programs tested as major programs included:
 - a. Head Start -- CFDA No. 93.600
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Pointe Coupee Community Advancement, Inc. was determined not to be a low-risk auditee.

B. FINDINGS — FINANCIAL STATEMENTS AUDIT

Material Reportable Condition

2003-1 Over Expenditure of Financial Assistance Award - Head Start Program

Condition

Expenses exceeded the Federal Financial Assistance Award by \$88,971.

Cause

Monthly comparison of actual to budget monitoring of operations was not performed.

Recommendation

The Head Start Director should review the monthly actual to budget statement of financial activities and make projections for the remainder of the program year. These monthly statements and projections should then be reviewed with the Executive Director and Board of Directors.

2003-2 Disbursements Made From Wrong Funding Source

Condition

Disbursements were made in the Home Energy Assistance Program, Community Services Block Grant, and Emergency Food Assistance Program for expenses of other programs when cash available in the other programs were insufficient to pay the obligation.

Cause

This caused errors in reporting the actual expense and the disbursements were not reimbursed on a timely basis.

Recommendation

Management should adopt a policy to provide temporary loans from the Unrestricted Account to the Restricted Accounts when cash is short and the accountant should report to the Executive Director on a monthly basis the status of any un-reimbursed advances.

Material Reportable Condition

2003-3 Accounting Records Not Kept Current and Errors in Postings

Condition

In May 2003, I reviewed the financial records (general ledger) for Home Energy Assistance, Emergency Food and Shelter Program, Community Services Block Grant, Emergency Food Assistance Program, and Medicaid in order to plan a date to start the audit. At that time, I found that the accounting records were not current and requested the Executive Director to have the accountant to bring the accounting current.

In July 2003, I again reviewed the general ledgers and found that the accounting was still not current.

Then in September 2003, I obtained a copy of the general ledgers for these programs and found numerous errors. I requested the accountant to correct the errors before I started the audit.

In October 2003, I again obtained a copy of the general ledgers and still found uncorrected errors. I then printed detail general ledgers and marked the questionable transactions that I wanted the accountant to review the posting to insure it was accurate.

Cause

These problems caused my scheduling of this audit to be delayed and also caused a conflict with other audits that I had scheduled later in the year. Consequently, the due date of this audit (September 30, 2003) was not met.

Recommendation

The accountant for these programs should provide the Executive Director with reports on a monthly basis indicating that the accounting is current.

C. FINDINGS AND QUESTIONED COSTS — MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

Pointe Coupee Community Advancement, Inc.
337 Napoleon Street
New Roads, Louisiana
(225) 638-3656

CORRECTIVE ACTION PLAN

Legislative Auditor
State of Louisiana

Pointe Coupee Community Advancement, Inc. respectfully submits the following corrective action plan for the year ended March 31, 2003.

Name and address of independent public accounting firm:

George F. Delaune, CPA, APC
7663 Anchor Drive
Ventress, LA 70783

Audit Period: April 1, 2002 to March 31, 2003

The findings from the March 31, 2003, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section 1 of the schedule, Summary of Audit Results, does not include findings and is not addressed.

Section 2 FINDINGS – FINANCIAL STATEMENTS AUDIT

Material Reportable Condition

2003-1 Over Expenditure of Financial Assistance Award - Head Start Program

Condition

Expenses exceeded the Federal Financial Assistance Award by \$88,971.

Recommendation

The Head Start Director should review the monthly actual to budget statement of financial activities and make projections for the remainder of the program year. These monthly statements and projections should then be reviewed with the Executive Director and Board of Directors.

Corrective Action Being Taken

Management agrees with the auditor's recommendation and have implemented the procedure.

2003-2 Disbursements Made From Wrong Funding Source

Condition

Disbursements were made in the Home Energy Assistance Program, Community Services Block Grant, and Emergency Food Assistance Program for expenses of other programs when cash available in the other programs were insufficient to pay the obligation.

Recommendation

Management should adopt a policy to provide temporary loans from the Unrestricted Account to the Restricted Accounts when cash is short and the accountant should report to the Executive Director on a monthly basis the status of any un-reimbursed advances.

Corrective Action Being Taken

Management agrees with the auditor's recommendation and has adopted the policy and implemented this procedure.

Material Reportable Condition

2003-3 Accounting Records Not Kept Current and Errors in Postings

Condition

In May 2003, I reviewed the financial records (general ledger) for Home Energy Assistance, Emergency Food and Shelter Program, Community Services Block Grant, Emergency Food Assistance Program, and Medicaid in order to plan a date to start the audit. At that time, I found that the accounting records were not current and requested the Executive Director to have the accountant to bring the accounting current.

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In October 2003, I again obtained a copy of the general ledgers and still found uncorrected errors. I then printed detail general ledgers and marked the questionable transactions that I wanted the accountant to review the posting to insure it was accurate.

Recommendation

The accountant for these programs should provide the Executive Director with reports on a monthly basis indicating that the accounting is current.

Corrective Action Being Taken

Management agrees with the auditor's recommendation and has implemented this procedure.

If the Legislative Auditor has questions regarding this plan, please call Clint Flint, Executive Director at (225) 638-3656.

Sincerely yours,

Clint Flint, Executive Director